

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
Social Services Portfolio
2014-15 Budget Estimates Hearings

Outcome Number: 3

Question No: 424

Topic: Residential and Flexible Care - Aged care Payroll Tax Supplement

Hansard Page: Written

Senator Polley asked:

1. What impact is the cessation of the supplement likely to have on:
 - Staffing numbers?
 - Costs which are likely to be passed onto consumers?
 - Investment in the sector?
 - Impact on regional and rural operators?
2. If answers to 1. are not available please outline what plans are underway to find this information and to deal with the issues.

Answer:

Staffing and investment decisions are the responsibility of providers, as is ensuring that quality care is provided.

The legislative framework underpinning resident fees and charges outlines what providers can ask residents to pay. Residents can be charged a basic daily fee to cover costs such as cleaning, maintenance and laundry, a means-tested care fee, an accommodation payment, and fees for extra or additional optional services.

There will be a smaller impact on regional and rural providers compared with the sector as a whole, because of the greater share of not-for-profit providers operating in these regions who do not incur a direct payroll tax liability. Any impacts need to be considered in the context of the increase to subsidies and the Viability Supplement that were also announced in the 2014-15 Budget as a result of reprioritising the Workforce Supplement and the changes to aged care financing arrangements that commenced on 1 July 2014.